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# AGRICULTURAL CREDIT ENHANCEMENT PHASE-II (ACE-II)

JUNE 2015 – JUNE 2018

\$18.2 MILLION OFF-BUDGET

## OVERVIEW

The Agricultural Credit Enhancement (ACE) project established and managed the Agricultural Development Fund (ADF) until it was transferred to the Afghan government in 2015. The follow-on project, ACE-II, seeks to build on results achieved by the previous program and expand access to agriculture-related credit to increase commercial viability of small- and medium-size farms and agribusinesses as a necessary condition for a thriving agricultural economy. ACE-II is providing technical assistance to improve ADF's management systems and catalyze its transition to a sustainable agricultural development financial institution.

## CURRENT ACTIVITIES

- Attract financial intermediaries into the agriculture finance space
- Establish a reliable monitoring and evaluation system, using its data in agriculture credit advocacy
- Promote learning and advocacy efforts to support expansion of agricultural finance
- Provide technical assistance to improve the performance of ADF management
- Provide technical support and monitor the implementation of ADF's strategic plan
- Assess and improve the operations, policies procedures for the ADF
- Assess and improve financial institutions' capacity to on-lend ADF's funds
- Design innovative agricultural credit products to attract targeted borrowers
- Conception and planning for key ACE-II Access to Finance activities including the implementation of a series of Women's Access to Agriculture Credit shuras
- Participation of ACEII/ADF/ADF clients in ag fairs, expos and other events to publicize ADF role in access to credit and to improve public and financial sector awareness of awareness of agricultural credit

## ACCOMPLISHMENTS

- Supported ADF in the disbursement of more than \$30 million in direct lending to the agriculture sector since project inception
- Directly benefited more than 8,931 farmers and MSMEs, and created 1,102 full time jobs
- Supported five financial institutions to successfully provide agricultural financial services
- Created an advisory board to provide strategic direction to the Agricultural Technical Working Group, along with three committees to manage activities for collaborative advocacy and change on three identified priority constraints to agricultural credit
- Awarded five Innovation Grants, including one to OXUS that resulted in the first use of mobile money platforms in Afghanistan to make loan disbursements and repayments
- Developed six new agricultural credit products
- Created new Excel-based ADF loan application system: SQL data base being developed; field testing underway; and initial training of ADF personnel completed
- National Survey of Supply and Demand for Agriculture Financial Services procurements underway, supply side survey work begun

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